

# 02-16-95 THURSDAY, FEBRUARY 16, 1995

STATEMENT OF PROCEEDINGS FOR THE

BUDGET COMMITTEE OF THE WHOLE/JOINT MEETING

OF THE BOARD OF SUPERVISORS

OF THE COUNTY OF LOS ANGELES

HELD ON THURSDAY, FEBRUARY 16, 1995

9:30 O'CLOCK A.M.

IN ROOM 381B OF THE KENNETH HAHN HALL OF ADMINISTRATION

500 WEST TEMPLE STREET, LOS ANGELES, CALIFORNIA 90012

**Present:** Supervisors Yvonne Brathwaite Burke, Zev Yaroslavsky,  
Deane Dana, Michael D. Antonovich and Gloria Molina, Chair

**Absent:** None

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## 02-16-95.1 BUDGETARY ISSUES 1 - 2

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### 02-16-95.1.1 5 1.

Discussion with the Auditor-Controller on the County's cash flow.

NO ACTION TAKEN

**Absent:** Supervisor Molina and Burke

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## **02-16-95.1.2 6 2.**

Discussion with the Chief Administrative Officer on the Fiscal Year 1995-96 Forecast. NO ACTION TAKEN

**Absent:** Supervisor Molina and Burke

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## **02-16-95.2 DISCUSSION OF HEALTH SERVICES MATTERS 3 - 4**

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### **02-16-95.2.1 3 3.**

Discussion with the Director of Health Services on their financial situation. NO ACTION TAKEN

**Absent:** None

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### **02-16-95.2.2 7 4.**

Discussion with the Chief Administrative Officer on the status of the audit of Department of Health Services, as requested by Supervisor Molina. RECEIVED AND FILED CHIEF ADMINISTRATIVE OFFICER'S MEMO DATED FEBRUARY 9, 1995 ON THE STATUS OF COMPREHENSIVE AUDIT OF THE DEPARTMENT OF HEALTH SERVICES

**Absent:** Supervisors Molina and Burke

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## 02-16-95.3 HEALTH SERVICES MATTERS 5 - 9

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### 02-16-95.3.1 9 5.

Joint recommendation of the Chief Administrative Officer and the Director of Health Services to approve the following recommendations regarding the strategy to manage the financial crisis faced by the Department of Health Services: ADOPTED AS AMENDED; INSTRUCTED THE AUDITOR-CONTROLLER TO PROVIDE TO THE BOARD AT THE FEBRUARY 23, 1995 BOARD MEETING A FINANCIAL SUMMARY REPORT BY DEPARTMENT FOR FISCAL YEAR 1994-95 YEAR-TO-DATE (JULY THROUGH JANUARY) WITH THE REPORT SHOWING THE ACTUAL EXPENDITURES THROUGH THE END OF JANUARY FOR EVERY DEPARTMENT END OF JANUARY FOR EVERY DEPARTMENT IN THE COUNTY TO ASSIST THE BOARD IN ITS DECISION-MAKING PROCESS; ALSO INSTRUCTED THE DIRECTOR OF HEALTH SERVICES TO PROCEED WITH THE STEPS NECESSARY FOR LAYOFFS, BUT REQUIRE THAT ANY LAYOFF ACTIONS BE APPROVED BY THE BOARD OF SUPERVISORS NO LATER THAN MARCH 14, 1995

Instruct the Chief Administrative Officer and Director of Health Services to continue to coordinate and promote advocacy efforts at the highest levels of the Federal government to achieve full and ongoing realization of Medi-Cal Administrative Claiming revenues or the equivalent, while immediately seeking legislative relief from the State's administrative fee on Medi-Cal Administrative Claiming, including outright repeal, effective this fiscal year;

Instruct Director of Health Services to utilize any necessary funds from the Department's designation to partially offset the Medi-Cal Administrative Claiming revenue shortfall in the current year;

Approve actions already taken by the Department of Health Services and adopt the Expenditure Reduction Plan, effective immediately;

Approve appropriation adjustment in amount of \$75.0 million;

(CONTINUED)

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## 02-16-95.4 HEALTH SERVICES MATTERS (Continued)

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### 02-16-95.4.1 9 5. (Continued)

Instruct Director of Health Services and the Chief Administrative Officer to attempt to identify additional savings which do not violate Maintenance of Effort requirements in the Department of Health Services for Fiscal Year 1994-95 through rightsizing and expenditure reductions or moratoriums and report back on a regular basis on the progress made in this regard;

Instruct Director of Health Services to return with a Legislative Policy and Strategy Recommendation on March 3, 1995;

Instruct Director of Health Services and the Chief Administrative Officer to develop a plan which includes various options to consolidate services, reduce or eliminate other health facilities, and if necessary to close County hospitals effective July 1, 1995, to your Board for approval at the March 16, 1995 Budget Meeting;

Instruct Director of Health Services to officially notify each medical school that the budget crisis will impact the level of cooperative involvement between the County and its affiliated medical schools; and

Instruct Director of Health Services to be prepared to

post Beilenson notices on March 17, 1995, and schedule  
Beilenson Hearings for Monday, April 3, 1995 at 9:30 a.m.

**Absent:** Supervisor Molina

**Vote:** Unanimously carried

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## 02-16-95.5 HEALTH SERVICES MATTERS (Continued)

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### 02-16-95.5.1 11 6.

Recommendation as submitted by the Director of Health Services: Approve and instruct Director to sign renewal agreement with the State Department of Health Services to provide State and Federal funding support, in total amount of \$5,351,032, with net County cost of \$374,999, for provision of immunization services, effective January 1, 1995 through December 31, 1995; also approve three subcontract amendments to agreements and eight subcontract agreements with various providers, in total amount of \$2,990,758, 100% revenue offset, to provide service delivery and other immunization-related services; and approve appropriation adjustment in amount of \$2,640,000 for payment to subcontractors providing immunization services. APPROVED (CRON NO. 95038LAC0011) Attachments on file in Executive Office. (4-VOTE)

**Absent:** Supervisor Molina

**Vote:** Unanimously carried

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### 02-16-95.5.2 10 7.

Recommendation as submitted by the Director of Health Services: Accept the following Notices of Cooperative Agreements from the Federal Centers for Disease Control and Prevention; and approve appropriation adjustment in amount of \$440,000 to reflect Federal revenue which is above the amount anticipated in the Fiscal Year Budget for the Surveillance and Seroprevalence Project, and to increase expenditure authority accordingly: APPROVED (CRON NO. 95034LAC0010) Attachments on file in Executive Office. (4-VOTE)

HIV/AIDS Surveillance and Seroprevalence Project award, in amount of \$3,997,110, reflecting \$3,834,152 in new monies, and \$162,958 in carryover unobligated balance funds from prior periods; award also provides \$105,152 in direct assistance, reflecting \$46,448 in new direct assistance and \$58,704 in unobligated balance from prior budget periods

HIV Prevention Project award, in amount of \$8,298,433, reflecting \$8,078,433 in new monies, \$220,000 in unobligated balance from prior budget periods and \$5,000 in direct assistance

**Absent:** Supervisor Molina

**Vote:** Unanimously carried

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## 02-16-95.6 HEALTH SERVICES MATTERS (Continued)

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### 02-16-95.6.1 2 8.

Revised recommendation as submitted by the Director of Health Services: Revise the Fiscal Year 1994-95 Bond Anticipation Note authority for Health Facilities Replacement and Improvement Plan projects to \$217.1 million.

THE BOARD TOOK THE FOLLOWING ACTIONS: (CRON NO. 95039LAC0023)  
Attachments on file in Executive Office.

A. APPROVED AN ADDITIONAL BANS AUTHORIZATION OF  
\$12.975 MILLION FOR FISCAL YEAR 1994-95 FOR THE  
FOLLOWING PROJECTS:

1. \$8.8 MILLION FOR THE FOLLOWING:

- a. THE AIDS CLINIC CONSTRUCTION;
- b. CONSTRUCTION OF THE MARENGO PARKING STRUCTURE;
- c. LAND ACQUISITION AT THE LAC+USC MEDICAL CENTER;
- d. DESIGN WORK ON PLANS SUBMITTED TO THE OFFICE OF  
STATEWIDE HEALTH PLANNING AND DEVELOPMENT  
FOR VARIOUS PROJECTS; AND
- e. APPROPRIATE ACTIVITIES IDENTIFIED BY THE CHIEF  
ADMINISTRATIVE OFFICER AND THE DIRECTOR OF  
INTERNAL SERVICES TO KEEP THE PROJECTS ON  
CRITICAL PATH SCHEDULES AND MEET ALL SB 1732  
REQUIREMENTS;

2. \$1.3 MILLION FOR HARBOR AMBULATORY CARE/EMERGENCY  
ROOM/SURGICAL PROJECT;

3. \$2.375 MILLION FOR RANCHO LOS AMIGOS MEDICAL CENTER;  
AND

4. \$500,000 FOR FUNDING THE CONTRACT TO EVALUATE THE  
FINANCIAL AND HEALTH ISSUES CONTAINED WITHIN THE  
PROPOSED DHS HEALTH FACILITIES PLAN;

B. INSTRUCTED THE CHIEF ADMINISTRATIVE OFFICER AND THE  
DIRECTOR OF HEALTH SERVICES TO TAKE THE FOLLOWING  
ACTIONS:

1. CONTINUE THE STRATEGY FOR THE LAC+USC MEDICAL  
CENTER AND DEPENDENT PROJECTS BASED ON  
MAXIMIZING FEMA REVENUE FOR CONSTRUCTION  
COSTS; AND

( CONTINUED )

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## 02-16-95.7 HEALTH SERVICES MATTERS (Continued)

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### 02-16-95.7.1 2 8. (Continued)

2. REPORT BACK WITHIN 30 DAYS ON THE COSTS OF DELAY  
IN THE START OF CONSTRUCTION BY POSTPONING THE  
MAKE-READY PROJECTS; AND

C. INSTRUCTED THE CHIEF ADMINISTRATIVE OFFICER, DIRECTOR  
OF HEALTH SERVICES AND THE TREASURER AND TAX  
COLLECTOR TO DEVELOP A STRATEGY FOR THE REPAYMENT  
OF BANS

D. INSTRUCTED THE AUDITOR-CONTROLLER TO:

1. PREPARE A WORK ORDER REQUEST FOR, AND SOLICIT  
BIDS TO CONDUCT, AN EVALUATION OF THE DEPARTMENT  
OF HEALTH SERVICES' (DHS) PROPOSED HEALTH  
FACILITIES REPLACEMENT AND IMPROVEMENT PLAN;

2. PREPARE AND PRESENT A SCOPE OF WORK WITH THE WORK  
ORDER REQUEST THAT REQUIRES THE SUCCESSFUL  
CONSULTANT(S) TO IDENTIFY AND EVALUATE ALL RELEVANT  
FINANCIAL ISSUES AND RISKS RAISED WITHIN THE CONTEXT  
OF THE DHS HEALTH FACILITIES PLAN WITH THE FOLLOWING  
ISSUES IDENTIFIED TO BE INCLUDED IN THE EVALUATION:

a. THE AVAILABILITY AND COST OF LONG-TERM FINANCING  
FOR THE PROPOSED PROJECT;



b. THE VIABILITY OF LONG-TERM DEBT REPAYMENT GIVEN  
THE COUNTY'S CURRENT AND PROJECTED FISCAL  
CONDITION; AND

c. THE AVAILABILITY OF DEDICATED LONG-TERM SAVINGS  
(AND STATE OR FEDERAL FUNDS) FOR PAYMENT AGAINST  
DEBT RELATED TO THE DHS HEALTH FACILITIES  
REPLACEMENT AND IMPROVEMENT PLAN;

3. THE SCOPE OF WORK IN THE WORK ORDER REQUEST SHOULD  
ALSO REQUIRE THE IDENTIFICATION AND EVALUATION OF:

a. PLANNING ASSUMPTIONS RELATED TO FUTURE SPECIFIC  
POPULATIONS TO BE SERVED BY DHS HOSPITALS AND  
THEIR PROJECTED NEEDS REGARDING HOSPITAL  
UTILIZATION LEVELS;

(CONTINUED)

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## 02-16-95.8 HEALTH SERVICES MATTERS (Continued)

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### 02-16-95.8.1 2 8. (Continued)

b. ANALYSIS OF THE PROJECTED FUTURE CAPACITY OF THE  
PRIVATE SECTOR TO MEET THE NEEDS OF THE DHS  
SERVICE POPULATION;

c. THE SPECIFIC NEED FOR THE REBUILD OF THE LAC+USC  
MEDICAL CENTER, INCLUDING ITS SIZE AND SCOPE; AND

d. REVENUE ASSUMPTIONS OF THE PLAN RELATED TO PROJECTED FUTURE SHARE OF THE MEDI-CAL AND OTHER RELEVANT MARKETS IN VIEW OF THE CHANGING STRUCTURE OF THE MEDI-CAL PROGRAM AND THE HEALTH INDUSTRY.

THE WORK ORDER REQUEST SHOULD REQUIRE REVIEW, EVALUATION AND INCORPORATION OF ALL APPROPRIATE PREVIOUS STUDIES, PLANS AND REPORTS RELATED TO THE SCOPE OF WORK;

4. EXECUTE A CONTRACT WITH THE SUCCESSFUL CONSULTANT(S), MANAGE THE CONSULTANT(S), AND REPORT BACK TO THE BOARD OF SUPERVISORS BY JULY 1, 1995 WITH A COMPLETE REPORT THAT FULLY EVALUATES THE FINANCIAL AND HEALTH ISSUES CONTAINED WITHIN THE PROPOSED DHS HEALTH FACILITIES PLAN, AND CONTAINS A SET OF OPERABLE RECOMMENDATIONS FOR BOARD ACTION RELATIVE TO THE PROPOSED PLAN

**Absent:** None

**Vote:** Unanimously carried

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**02-16-95.8.2 8 9.**

Recommendation as submitted by the Director of Health Services: Approve and instruct Chair to sign agreement with First Consulting Group, with maximum County obligation of \$380,820, to provide consulting services to develop an Enterprise Information Architecture and a computer-based patient record design, effective February 1, 1995 through January 31, 1996. APPROVED (CRON NO. 95012LAC0020) Attachments on file in Executive Office.

**Absent:** Supervisors Molina and Burke

**Vote:** Unanimously carried

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## 02-16-95.9 SEPARATE MATTER 10

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### 02-16-95.9.1 12 10.

Presentation by the Los Angeles County consultant on FEMA reimbursement, Gerard J. Quinn, Vice-President of David M. Griffith and Associates, Limited, on the status of the County's Federal Emergency Management Agency funding efforts, as arranged by the Chief Administrative Officer.

**Absent:** Supervisor Molina

**Vote:** Unanimously carried

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## 02-16-95.10 MISCELLANEOUS

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### 02-16-95.10.1 14 11.

Opportunity for members of the public to address the Board on items of interest that are within the subject matter jurisdiction of the Board.  
NONE

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## 02-16-95.11 HEALTH SERVICES MATTERS

4-VOTE

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**02-16-95.11.1 13 12.**

Recommendation as submitted by the Chief Administrative Officer:  
Approve appropriation adjustment, in amount of \$211.4 million, reducing funds from the Designations for Health Services Disproportionate Share Hospitals - Revenue to the Department of Health Services to supplant Medi-Cal Administrative Claiming revenue in the current fiscal year.  
APPROVED

**Absent:** Supervisor Molina

**Vote:** Unanimously carried

Discussion of topics on the posted agenda and administrative requests by individual supervisors for reports from Department Heads on various matters as follows:

- During discussion of rightsizing to streamline operations within the Department of Health Services (Agenda No. 5), Supervisor Yaroslavsky requested the Chief Administrative Officer to address the staffing reduction with respect to census and/or shortfall and report back to the Board.
- Supervisor Antonovich requested the Chief Administrative Officer to review and report back to the Board on the Los Angeles Times newspaper article dated February 16, 1995, on "Four Steps to Avoid a Tax Increase ."

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**02-16-95.11.2 4**

The meeting adjourned at 11:55 a.m. following Board Order No. 3 until 1:45 p.m.

The meeting reconvened at 2:10 p.m. Present were Supervisors Yaroslavsky, Dana and Antonovich, Chair Pro Tem presiding. Supervisor Burke arrived at 2:30 p.m. Absent was Supervisor Molina.

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## 02-16-95.11.3 15

On motion duly seconded and unanimously carried, the meeting was adjourned in memory of the following person:

Motion by:

Name of Deceased:

All Board Members

Yvonne Brenner

The Budget Committee of the Whole/Joint Meeting of the Board of Supervisors adjourned (Following Board Order No. 15). Next meeting of the Board: Tuesday morning, February 21, 1995, at 1:00 o'clock p.m.

The foregoing is a fair statement of the proceedings of the meeting held on February 16, 1995, by the Budget Committee of the Whole/Joint Meeting of the Board of Supervisors of the County of Los Angeles and ex-officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

JOANNE STURGES  
Executive

of the Board of

Officer-Clerk

Supervisors

By

ROBIN A.

Board Operations

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GUERRERO, Chief

Division

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